



WASHINGTON STATE DEPARTMENT OF
Natural Resources
Doug Sutherland - Commissioner of Public Lands

**REQUEST FOR OFFERS
TO LEASE
STATE-OWNED TIDELANDS
FOR GEODUCK AQUACULTURE**

TABLE OF CONTENTS

| SECTION | PAGE |
|---|-------------|
| 1. PURPOSE AND GENERAL INFORMATION..... | 1 |
| 2. SUBMITTAL OF OFFERS | 2 |
| 3. OFFER OPENING | 2 |
| 4. AREAS AVAILABLE FOR GEODUCK AQUACULTURE LEASES | 3 |
| 5. OFFER COMPONENTS AND EVALUATION ELEMENTS | 4 |
| 6. SCORING OF OFFERS | 6 |
| 7. NOTIFICATION OF APPARENT SUCCESSFUL OFFEROR(S) | 6 |
| 8. CONFIRMATION OF OFFEROR(S)..... | 6 |
| 9. TERMS AND CONDITIONS OF LEASE AGREEMENT | 8 |
| 9.1 LEASE | 8 |
| 9.2 DOCUMENTS REQUIRED BEFORE ISSUANCE OF LEASE..... | 8 |
| 9.3 TRIBAL NOTIFICATION AND SHARING OBLIGATIONS | 9 |
| 9.4 PLAN OF OPERATIONS | 9 |
| 10. GENERAL INFORMATION..... | 9 |
| 11. OFFERS COORDINATOR..... | 10 |
| APPENDICES | A-1 |
| APPENDIX 1 OVERVIEW MAP AND LEASE AREA MAPS | A-2 |
| APPENDIX 2 CERTIFICATION AND ASSURANCES FORM..... | A-3 |
| APPENDIX 3 LAND SURVEY SCOPE OF WORK..... | A-4 |
| APPENDIX 4 BIOLOGICAL AND BASELINE SURVEY SCOPE OF WORK..... | A-5 |
| APPENDIX 5 DNR'S GEODUCK AQUACULTURE BEST MANAGEMENT PRACTICES .. | A-6 |
| APPENDIX 6 EXAMPLE GEODUCK AQUACULTURE LEASE DOCUMENT | A-7 |
| APPENDIX 7 APPLICATION TO LEASE STATE OWNED AQUATIC LANDS | A-8 |

LIST OF TABLES

| TABLE | PAGE |
|---|------|
| TABLE 1. AREAS AVAILABLE FOR LEASE IN THIS REQUEST FOR OFFERS | 3 |
| TABLE 2. TABLE OF EVALUATION ELEMENTS | 4 |



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**REQUEST FOR OFFERS TO LEASE
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FOR GEODUCK AQUACULTURE
June 19th 2006**

Request for Offers Number GA06-001

1. PURPOSE AND GENERAL INFORMATION

Pursuant to RCW 79.135.100, the Department of Natural Resources (DNR) hereby requests offers from qualified companies that wish to lease state-owned tidelands for the purpose of conducting geoduck aquaculture.

Under this Request for Offers, DNR is offering to lease, for a ten-year period, a number of areas of state-owned tidelands in parcels of varying acreage (See *Table 1. Areas available for Lease in this Request for Offers*). See Section 9 for Terms and Conditions of the Lease. Lease areas will run from Mean High Water to Extreme Low Tide.

To qualify for consideration, the Offeror shall comply with all terms in this Request for Offer and submit all information required in Section 5. Qualified offers will be scored by DNR on the basis of proposed site management and operations, proposed base rent, and proposed percentage of geoduck sale proceeds paid to the State. See Section 6 for scoring criteria. After scoring qualified offers, DNR will notify the apparent successful Offeror for each lease area, who shall cooperate with DNR in providing assurances of Offeror's capacity to undertake the lease, as specified in Section 8. Upon receiving proper assurances, DNR shall request confirmed Offerors to submit an Application to Lease State Owned Aquatic Lands form and pay the application fee, as specified in Section 8. (*Appendix 7* shows a sample Application to Lease State Owned Aquatic Lands form.) Upon receiving the lease application, land and biological/baseline surveys, copies of permits, security deposit, and proof of insurances, DNR will issue a lease to confirmed Offerors. See also Section 9.

DNR will hold an Informational Workshop on June 30th 2006, between 9:00 am and 12:00 pm in Room 172 of the Natural Resources Building, 1111 Washington St SE, Olympia, WA, 98504. Please visit the DNR website for directions:
<http://www.dnr.wa.gov/base/directions.html>

DNR staff will be available at this time to answer questions about the Request for Offer process. Hard copies of this Request for Offer and other explanatory materials will also be available at this meeting.

Estimated Schedule of Request for Offer Process (subject to change):

- Submittal of Offers to DNR Offers Coordinator, before: 4:30 p.m. Friday August 4th 2006
- Sealed Offer Opening at DNR offices, at: 9:00 a.m. Monday August 7th 2006
- Scoring of Qualified Offers: August 7th –August 24th 2006
- Notification of Apparent Successful Offeror(s), by: 4:30 p.m. Friday August 25th 2006
- Submittal of Confirmation Documents to DNR, by: 4:30 p.m. Monday September 11th 2006
- Evaluation of Confirmation Documents: September 12th–September 15th 2006
- Notification of Confirmed Offeror(s), by: 4:30 p.m. Friday September 15th 2006

2. SUBMITTAL OF OFFERS

Offerors shall submit sealed offers to the Offers Coordinator listed at the end of this document, to be received by DNR no later than 4:30 pm on Friday August 4th 2006. Offers received after this time will not be considered. Postmarks shall not be accepted. Offers may be hand delivered or mailed to the Washington State Department of Natural Resources, Aquatic Resources Division, Geoduck Aquaculture Lease Offer, PO Box 47027, 1111 Washington St SE, Olympia, Washington 98504-7027.

Offeror shall submit a separate offer for each Lease Area that Offeror desires to lease. Offeror shall submit only one offer per Lease Area. Each separate offer shall be submitted in a separate sealed envelope. If mailing, place offer in sealed envelope before placing inside the mailing envelope. Mark the sealed offer envelope with the following information:

- **The words ‘Geoduck Aquaculture Lease Offer’**
- **Lease Area # ***
- **Lease Area Name ***
- **Name of Company submitting Offer**
- **Date submitted**

** See Table 1. below*

3. OFFER OPENING

Sealed offers will be stored in a fireproof safe until the prescribed time for opening. Two DNR employees will open and log sealed offers at 9:00 am on Monday August 7th 2006, at DNR’s Aquatic Resources Division in the Natural Resources Building, 1111 Washington SE, Olympia, WA, 98504-7027.

4. AREAS AVAILABLE FOR GEODUCK AQUACULTURE LEASES

Table 1., below, shows the areas available for lease in this Request for Offers. An Overview map and individual Lease Area and Aquatic Plate maps are shown in *Appendix 1*.

Table 1. Areas Available for Lease in this Request for Offers

| Lease Area # | Lease Area Name | County, Waterbody | S/T/R | Approx Acres | Comments (also see <i>Appendix 1</i>) Coordinates in NAD 27 |
|--------------|-----------------|---------------------------|---------------|--------------|--|
| 1 | North Navy | Jefferson, Hood Canal | S12/T26N/ R1W | 3 | A portion of Government Lot 2; part of Parcel number 1961861 Mid point of lease area is: 47° 45' 46"N 122° 45' 26.4"W |
| 2 | Dickenson Point | Thurston, Henderson Inlet | S5/T19N/R1W | 1 | A portion of Government Lot 1; part of Parcel number 2591004 Mid point of lease area is: 47° 09' 36.5"N 122° 50' 25"W |
| 3 | East Stretch | Mason, Case Inlet | S9/T21N/R1W | 2 | Government Lot 1; part of Parcel number 2237893 Mid point of lease area is: 47° 19' 32"N 122° 49' 10"W |
| 4 | Haley | Pierce, Case Inlet | S22/T21N/R1W | 1 | Government Lot 4; part of Parcel number 2263253 Mid point of lease area is: 47° 17' 26"N 122° 47' 43.6"W |
| 5 | Herron Lake | Pierce, Case Inlet | S5/T20N/R1W | 4 | Government Lot 2 and a portion of Lot 3; lies partly within Parcel number 2274277 and partly within Parcel number 2290517 Mid point of lease area is: 47° 15' 19.7"N 122° 49' 30"W |
| 6 | Taylor Bay #1 | Pierce, Nisqually Reach | S27/T20N/R1W | 2 | Government Lot 1; part of Parcel number 2315909 Mid point of lease area is: 47° 11' 49.5"N 122° 47' 44"W |
| 7 | Taylor Bay #2 | Pierce, Nisqually Reach | S27/T20N/R1W | 3 | Government Lot 3 and a portion of Lot 4; part of Parcel number 2317845 Mid point of lease area is: 47° 11' 24"N 122° 47' 28"W |
| 8 | Wilson Point #1 | Mason, Case Inlet | S19/T20N/R1W | 1 | Government Lot 2; part of Parcel number 2316549 Mid point of lease area is: 47° 11' 59"N 122° 50' 36"W |
| 9 | Wilson Point #2 | Mason, Case Inlet | S30/T20N/R1W | 2 | Government Lots 1 and 2; part of Parcel number 2317173 Mid point of lease area is: 47° 11' 37"N 122° 50' 44"W |

5. OFFER COMPONENTS AND EVALUATION ELEMENTS

To qualify for consideration, offers shall provide information for every Evaluation Element shown in *Table 2—Table of Evaluation Elements*. Information in the offer shall appear with the same Evaluation Element number and in the same order as listed in Table 2. DNR WILL REJECT ANY OFFER THAT DOES NOT PROVIDE CERTIFICATION AND ASSURANCES AS REQUIRED FOR ELEMENT 2. DNR reserves the right to reject any offer that does not provide the required information for all other Evaluation Elements in Table 2.

Table 2. Table of Evaluation Elements

| Evaluation Element # | Evaluation Element to be Addressed |
|-----------------------------|--|
| 1. | Company Info |
| 1.1 | General Information |
| 1.1.1 | Lease Area # and Lease Area Name this Offer is for (see <i>Table 1.</i>) |
| 1.1.2 | Offeror Company Name |
| 1.1.3 | Contact Person's Name |
| 1.1.4 | Phone number/Fax number/Cellular phone number/Email address |
| 1.1.5 | Offeror's UBI and/or FTIN number |
| 2. | Certification and Assurances |
| | <i><u>Offeror shall complete, sign and submit the Certification and Assurances form in Appendix 2</u></i> |
| 3. | Management Proposal |
| 3.1 | Proposed management structure, including number of personnel & their roles, sub-contractors that will be used and their roles. Include subcontractors' UBI and/or FTIN number. |
| 3.2 | Description of Offeror's experience in intertidal geoduck aquaculture. Extra points will be awarded to companies with a proven track record of successful geoduck aquaculture experience and use of environmental codes of practice. |
| 3.3 | List all required permits, certifications and licenses required for this site |
| 3.4 | Plan for neighboring landowner outreach and relations. Extra points will be given for a site-dedicated public outreach plan. |
| 3.5 | Provision for public access if appropriate. Extra points will be given for a public access component. |
| 3.6 | Proximity of this site to existing operations; ease of setting up infrastructure |
| 4. | Cost Proposal |
| 4.1 | Proposed percentage of harvest proceeds to state (minimum 10% of wholesale price) |
| 4.2 | Base rent proposal (minimum \$1000/acre/year) |
| 5. | Operations Proposal |
| 5.1 | <u>Schedule for Preparation of Site</u> |
| 5.1.1 | Description of all improvements (e.g. rafts) to be used. |

| Evaluation Element # | Evaluation Element to be Addressed |
|-----------------------------|--|
| 5.1.2 | Plan for marking site boundaries (e.g. untreated piling monuments, buoys with helical anchors, or other markers of a semi-permanent nature) |
| 5.1.3 | Confidence of access to certified seed source, related to planned acreage of planting over time (see also Element 5.2.1). Extra points will be given for evidence of seed availability from a named, certified seed supplier, with a time frame. |
| 5.2 | <u>Planting</u> |
| 5.2.1 | Planting schedule outlining: dates for planting, tied to estimated acreage that will be planted each year with geoduck, and acreage that will be unplanted and buffer/operational. Extra points will be given for plans that plant all (plantable) acreage as soon as possible. |
| 5.2.2 | <p>Description of planting methods and activities, with a schedule of timing, including, but not limited to:</p> <ul style="list-style-type: none"> o Planned tube density o Number of geoduck seed per tube o Expected grow out period o Expected (planned/target) geoduck survival rate o Expected weight of geoducks at harvest (target weight of harvestable geoducks) <p>If a range is provided for any of the bullet points above, the mid point of the range will be used during scoring of the offer.</p> |
| 5.3 | <u>Description of predator/biofouling control and exclusion methods</u> |
| 5.3.1 | Detailed description of predator control method (e.g. tubes, nets etc) that will be used, including expected period of time predator controls method(s) will be in place. |
| 5.3.2 | Plan for debris monitoring, control and clean up (e.g. branding of tubes/other predator control devices and beach sweep clean ups) |
| 5.3.3 | Plan for minimizing visual impacts to upland owners, and for minimizing safety issues. Extra points will be given for offers that show a dedicated plan to minimize visual impacts, such as gray/brown tubes; and that propose no use of rebar, or netting in which birds/animals can become caught. |
| 5.4 | <u>Maintenance</u> |
| 5.4.1 | Plan and description of maintenance activities |
| 5.5 | <u>Harvest of site</u> |
| 5.5.1 | Plan for harvest activities with timing |
| 5.5.2 | Expected range of harvest methods—e.g. dry/wet, daylight/nighttime, diver/non-diver. |
| 5.5.3 | Noise/light issues and mitigation measures, especially for night-time harvest |
| 5.5.4 | Operational information—access to and from site, off-load points, position of floats, vessels, pumps etc |
| 5.6 | <u>Environmental Impacts of all Stages</u> |
| 5.6.1 | Timing of activities to minimize environmental impacts |
| 5.6.2 | Other environmental impact minimization efforts that will be employed throughout the operations. |

6. SCORING OF OFFERS

DNR will score qualified offers by assigning points to some, but not all Evaluation Elements. The relative value of scored categories is:

| | |
|-------------------------------|-----|
| Section 3—Management Proposal | 20% |
| Section 4—Cost Proposal | 40% |
| Section 5—Operations Proposal | 40% |

- 8.5 DNR reserves the right at its sole discretion to reject any and all offers received without penalty. DNR's determination to reject any Offer shall be a final decision by DNR. An Offeror's sole remedy shall be to pursue any timely appeals that may be provided by RCW 79.105.160 (Aquatic lands—Court review of actions). In no case shall DNR, or its agents, be liable for any claim for damages arising from such determinations. Selection of offers, if any, will be offer(s) that, in the opinion of the agency, best meet the requirements set forth in the Request for Offer and are in the best interests of DNR and the state of Washington and its current and future citizens.

7. NOTIFICATION OF APPARENT SUCCESSFUL OFFEROR(S)

DNR will notify the apparent successful Offeror(s) by 4:30pm on Friday August 25th 2006.

8. CONFIRMATION OF OFFEROR(S)

- 8.1 After selection of apparent successful Offeror(s), DNR will evaluate the apparent successful Offeror's business capacity. The apparent successful Offeror shall provide copies of the following information to DNR, within ten (10) business days, by no later than 4:30 pm on Monday September 11th 2006. Failure to submit the below listed information by the specified date, shall result in DNR rejecting the offer.

- a) A copy of the following statement signed by the person authorized to represent the Offeror. Statement shall be acknowledged by a notary. Statement may be incorporated into a cover letter:

"I certify that I am the (title)_____ of
the (organization name)_____ and
am authorized to represent my organization. We submit the attached
information to DNR in compliance with Request for Offer to Lease
State-owned Tidelands for Geoduck Aquaculture Number GA06-001.
The attached information is accurate and true to the best of my
knowledge."

- b) Company organization documents: Articles of incorporation, partnership agreements, certificate of formation, limited liability company agreement or the like and by-laws, if any. All corporations, limited partnerships, and limited liability companies must be registered with the Office of the Secretary of State. The names of officers and directors; the names of shareholders, partners, or members (including percentage of stock owned by each shareholder).
 - c) The Offeror's registered agent.
 - d) The names of (i) any entity in which the apparent successful Offeror has control, the power to control, or a substantial financial interest; or (ii) any entity which has control over, the power to control, or a substantial financial interest in the apparent successful Offeror.
 - e) Offeror's Washington State Business License.
 - f) A banking reference stating the company's financial capacity to carry out the proposed aquaculture venture.
- 8.2 DNR's decision of whether to confirm the apparent successful Offeror shall include consideration of:
- a) The financial and technical ability of the Offeror to perform the contract;
 - b) Whether the offer contains material defects;
 - c) Whether the Offeror has previously or is currently complying with terms and conditions of any other leases with the state or relevant leases with entities other than the state;
 - d) Whether the Offeror has been convicted of a crime relating to the public lands or natural resources of the state of Washington, the United States, or any other state, tribe, or country, where "conviction" includes a guilty plea, or unvacated forfeiture of bail;
 - e) Whether the Offeror is owned, controlled, or managed by any person, partnership, or corporation that is not qualified or has not been evaluated under this Request for Offer; and
 - f) Whether the subcontractor(s) of the Offeror, if any, is responsible for a substantial portion of the work and the subcontractor(s) is not qualified or has not been evaluated under this Request for Offer.
- 8.3 Whenever DNR has reason to believe that the apparent successful Offeror is not a responsible Offeror, DNR may select the next highest scoring Offeror for that

Lease Area as the apparent successful Offeror or DNR may reject all offers for that Lease Area.

- 8.4 DNR will notify the confirmed Offeror(s) by 4:30 pm on Friday September 15th 2006.
- 8.6 DNR's determination to confirm Offeror shall be a final decision by DNR. An Offeror's sole remedy shall be to pursue any timely appeals that may be provided by RCW 79.105.160 (Aquatic lands—Court review of actions). In no case shall DNR, or its agents, be liable for any claim for damages arising from such determinations.
- 8.7 DNR will notify confirmed Offerors to submit an Application to Lease State Owned Aquatic Lands form (see *Appendix 7*.) and a \$25.00 non-refundable application fee within ten (10) business days—by no later than 4:30 pm Monday September 25th 2006. Personal checks, cashiers checks are acceptable; cash is not acceptable. Checks should be made payable to 'DNR'.

9. TERMS AND CONDITIONS OF LEASE AGREEMENT

9.1 Lease

DNR will issue a ten (10) year lease to successful Offeror after Offeror submits documents required before issuance of lease. See Paragraph 9.2, below. See *Appendix 6* for an example lease document. The successful Offeror shall make reasonable progress on acquiring necessary permits, conducting land and biological/baseline surveys and facilitating tribal sharing if necessary. Offeror shall submit quarterly progress reports to DNR.

The Terms and Conditions in the example lease document in *Appendix 6* shall be included in any lease issued as a result of this Request. In no event is an Offeror to submit its own contract terms and conditions as a response to this Request for Offers. The Offeror may submit exceptions as allowed in the Certifications & Assurances form in *Appendix 2*. DNR will review requested exceptions and accept or reject the same in its sole discretion.

9.2 Documents Required Before Issuance of Lease

- 9.2.1 Permits. The successful Offeror shall be responsible for obtaining all the necessary permits from federal, state, and local governments. These permits may include, but not be limited to, local Shoreline Substantial Development permits, state Department of Health Certification, state Department of Fish and Wildlife Aquatic Farm Registration certification permit.

- 9.2.2 Land Survey. The successful Offeror shall prepare a survey of the Lease Area in accordance with DNR's survey requirements as provided in *Appendix 3*. The survey shall be attached as Exhibit A to the Lease. *[At Offeror's option, Offeror may submit a preliminary Exhibit A as provided in Paragraph 1.2(c) of the Lease (example shown in Appendix 6)]*.
- 9.2.3 Financial Security. The successful Offeror shall obtain a performance security bond or other financial security in an amount equal to \$2000 per acre of Lease Area. DNR reserves the right to amend the security bond amount during the period when geoducks are being harvested. Financial security shall meet the terms and conditions of Subsection 10.4 of the Lease (example shown in *Appendix 6*).
- 9.2.4 Insurance. The successful Offeror shall provide proof of insurance meeting the terms and conditions of Subsection 10.3(a) of the Lease (example shown in *Appendix 6*).
- 9.2.5 Baseline and Biological Survey. The successful Offeror shall provide a baseline and biological survey of existing on-site resources in accordance with the requirements in *Appendix 4*.

9.3 Tribal Notification and Sharing Obligations

Successful Offerors shall abide by the Rafeedie Implementation Plan requirements that detail the Tribal Notification Procedures. Among other things, this means that DNR will notify affected tribes before any farming operations commence so that tribes are given the opportunity to harvest half the existing shellfish. Tribes must be given an opportunity to share equally in the harvest of the naturally occurring shellfish.

9.4 Plan of Operations

A Plan of Operations will be attached as Exhibit B to the Lease. Exhibit B will, among other things, describe the lessee's procedures for conducting activities within the Lease Area. DNR and the Offeror will cooperate in development of the Plan of Operations. However, at a minimum, the Plan of Operations shall include the requirement to (1) comply with DNR's Best Management Practices (BMPs) as described in *Appendix 5* and (2) submit Farm Plan Record Keeping logs, Events and Issues logs and an Annual Environmental Review Report as described in Section 7 of the BMPs (*Appendix 5*).

10. GENERAL INFORMATION

- a) Any oral statement by any representative of the state, modifying or changing any conditions of this Request for Offers, is an expression of opinion only and confers no rights on to any Offeror.

- b) All submitted materials shall become the property of DNR. All submittals received shall remain confidential until notification of confirmed Offerors, if any; thereafter the responses shall be deemed public records as defined in RCW 42.17.250-.340.

11. OFFERS COORDINATOR

The following Offers Coordinator is the sole point of contact in the DNR concerning this Request for Offers:

| | |
|-----------------------|---|
| Name | Celia Barton |
| Phone Number | (360) 902-1025 |
| Fax Number | (360) 902-1786 |
| Address | Washington State Department of Natural Resources 1111 Washington St SE PO Box 47027 |
| City, State, Zip Code | Olympia, WA, 98504-7027 |
| E-mail Address | celia.barton@wadnr.gov |

APPENDICES

APPENDIX 1

OVERVIEW MAP AND LEASE AREA MAPS

APPENDIX 2
CERTIFICATION AND ASSURANCES FORM

APPENDIX 3

LAND SURVEY SCOPE OF WORK

APPENDIX 4

**BIOLOGICAL AND BASELINE
SURVEY SCOPE OF WORK**

APPENDIX 5

DNR'S GEODUCK AQUACULTURE BEST MANAGEMENT PRACTICES

APPENDIX 6

**EXAMPLE GEODUCK AQUACULTURE
LEASE DOCUMENT**

APPENDIX 7

APPLICATION TO LEASE STATE OWNED AQUATIC LANDS

This is to be submitted only after an Offer is Confirmed by DNR